Evasion of Customs Duty by trading houses

676. SHRI MUNAVVAR HASAN: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to refer to answer to unstarred question 74 given in the Rajya Sabha on the 26th February, 2002 and state:

(a) whether it is a fact that the large number of recognised trading houses are involved in evasion of Customs Duty; if so, the details thereof; and

(b) whether it is also a fact that investigation has been orderded into imports by ADANI Exports?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN): (a) No, Sir. It is not correct to say that large number of recognized trading houses are involved in evasion of customs duty

(b) No directions has been issued in the recent past for carrying out investigations into imports by M/s. Adani Exports Ltd. However, the Customs Department as and when information of irregularities are received, necessary action is being taken in case of Importers including M/s. Adani Exports Ltd.

CiJs report on Taxes

677. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government are aware of the report of Confederation of Indian Industry stating that lower taxes is the key to China's success;

(b) if so, what is Government's reaction thereto; and

(c) whether Government propose to replicate similar steps to give boost to the economy?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) The Report entitled learning from China to Unlock India's Manufacturing Potential' by Confederation of Indian Industry (CM) and McKinsey has indicated that reduction and simplification of Indirect taxes in China has boosted demand.

(b) and (c) The Government has been following a policy of rationalisation of tax structure and widening the tax base as an integral part of its on-going economic reforms. The policy has resulted in lower and fewer tax rates and a more transparent tax system than before. It is proposed to further rationalise the tax system. Reforms in tax structure are undertaken keeping in view the specific requirements of the country.

World Bank assistance

678. SHRIJANARDHANA POOJARY: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) Whether he requested at the recent joint annual meeting of the World Bank and the IMF in Washington on 29th September, 2002 for increasing the development assistance to realize the millennium goal of health for all and poverty reduction programmes, as reported in the Economic Times, New Delhi, dated 30th September, 2002;

(b) if so, the details in this regard; and

(c) the total assistance received from the World Bank, IMF and other international lending agencies for various development activities, including health, education, rural development and poverty alleviation, and spent during the last three years, year-wise and state-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS {SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Yes, Sir. During the joint annual meeting of the World Bank and IMF, India articulated developing countries' demand for increasing development assistance to realize the millennium goal of health for all and poverty reduction.The stand was based on the assertion that since the Bank has increased resources, it could spare more resources, so that the developing countries need not resort to private capital for development in the basic sectors of health and poverty alleviation.

(c) Details of total assistance received from the World Bank and other international development agencies sectorally is at Statement-I and the state-wise and year-wise details are at Statement-ll.